



OFFICE OF THE
ARIZONA STATE TREASURER
DOUG DUCEY
TREASURER



Office of the Arizona State Treasurer
Request For Proposal #13-01
Pre-Bid Conference
September 12, 2013

Meeting Minutes:

Attendance information was taken from those participating. Representatives were present from Northern Trust, State Street, and JP Morgan. U.S. Bank and BNY Mellon joined the meeting via conference phone.

Deputy State Treasurer Mark Swenson introduced the meeting with a description of the Arizona State Treasurer's investment program. A clarification was made to the "Special Instructions To Bidders" section #2. An original response and five copies are required. An official amendment to the RFP document clarifying the requirement will follow.

Deputy Swenson listed the proposed RFP timeline and explained that presentations, site visits, and the award will be determined as part of the RFP evaluation process.

A brief description of the RFP table of content was made including a questionnaire, offer and acceptance, scope of work, uniform instructions to bidders, and terms and conditions. Within this description, Deputy Swenson, emphasized the requirement to deliver an original, signed offer and acceptance form with the RFP response. Responses that do not include an original, signed offer and acceptance will not be evaluated.

Deputy Swenson also emphasized that all required agreements and documents for services contained in the RFP should be included along with the signed offer and acceptance form.

Questions/Answers:

Question: Are SMA's investments in a single pool by a single entity?

A: *Separately Managed Accounts is a single entity owned investment. This type can be multiple accounts owned by a single entity.*

Question: Can a responding entity offer services beyond the scope of work?

A: *The scope of work is the required minimum services for evaluation. The response can go beyond services required in the scope of work through questions in the Questionnaire section of the RFP.*

Question: Should the Scope of Work section be answered specifically in addition to question asked in the Questionnaire?

A: *Yes, responses are desired in all sections of the RFP.*

Question: Is there a possibility of asset allocation in the future?

A: Yes, the RFP includes the options of asset allocation along with the possibility for increased funds managed externally. Options within the RFP may change over the life of the contract.

Question: Can a proposal be submitted for just a portion of the RFP requirements?

A: No, the goal is to partner with a single provider. That provider may contract outside of its organization to provide services, but this must be disclosed and the provider must manage all third party contracts.

Question: Are Clearwater Analytics currently in use?

A: Clearwater Analytics are currently provided on funds managed by our external manager.

Question: Is a web based solution required for LGIP participants?

A: Yes, online services are required as part of the LGIP process.

Question: How are LGIP transactions processed?

A: Participants enter transaction information through an online portal or via phone service at the State Treasurer's Office.

Question: Are cash balances left in the current custody accounts?

A: Yes, all cash balances in investment funds are swept into the appropriate money market account for the type of investment pool. For example, cash in the full faith and credit pools are swept into a full faith and credit money market account. Also, for five of the pools, we do a balancing process and sweep the funds needed to the State Servicing Bank.

Question: Who is the current provider for the State Servicing Bank?

A: The servicing contract is currently held by Bank of America. The current custodial bank is JP Morgan Chase.

Question: Is there currently internal trade settlement?

A: Yes, the trades are currently settled internally through the Bloomberg AIM system. The only exception is Tri-Party repo which is settled through a manual faxing process.

Question: Is there a possibility to get a current market value report?

A: The request is under advisement. An answer will be provided by September 24th. Note, total market value reports are now available on the Arizona Treasurer's web page.

Question: How many accounts currently make up Transfer Agency?

A: 1300-1500 accounts are currently in Transfer Agency.

Question: Is accounting based on trade date or settlement date?

A: Trade date.

Question: Other than the Bloomberg AIM system, are there any other systems that compatibility may be an issue?

A: *The Arizona State Treasurer's Office uses a proprietary system called the Financial Management System (FMS). File transmission will be required from this system.*

Question: Is the requirement to have a representative available during the hours of 8 a.m. and 5 p.m. Arizona time the same as Mountain Standard?

A: *Arizona is in the Mountain Standard time zone, but does not participate in daylight savings time.*

Question: Is there both cash and non-cash collateral?

A: *Yes.*

Question: Who is this collateral managed by?

A: *Lending agent in separate accounts with investment parameters set by the State Treasurer's Office.*

Question: Are there report examples available?

A: *Examples are available on our website at www.aztreasury.gov. Nothing further will be provided.*

Question: Who currently provides performance and risk?

A: *Performance comes from our current provider and risk comes from Bloomberg AIM.*

Question: Does the RFP require monthly performance reporting?

A: *Yes.*

Question: Is daily flash performance something the State Treasurer would be interested in?

A: *See Questionnaire.*